

REMARKS/ARGUMENTS

Favorable reconsideration of this application as presently amended and in light of the following discussion is respectfully requested.

Claims 1-28 are pending.

The outstanding Official Action rejected Claims 1, 8, 15, and 22 under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent No. 6,564,253 to Stebbing in view of “SDMI – Secure Digital Music Initiative” SDMI Portable Device Specification Version 1.0, XX, XX No. Part 1, 8 July 1999 (hereinafter SDMI Specification); rejected Claims 2-5, 7, 9-13, 16-19, 21, 23-26, and 28 under 35 U.S.C. § 103(a) as unpatentable over Stebbing in view of SDMI Specification and U.S. Patent No. 6,925,448 to Stefik et al. (hereinafter Stefik); and rejected Claims 6, 14, 20, and 27 under 35 U.S.C. § 103(a) as unpatentable over Stebbing, SDMI Specification, Stefik, and further in view of U.S. Patent No. 6,319,125 to Acres.

Applicants traverse the rejection of Claim 1.

Claim 1 is directed to

an information processor apparatus which checks out a content to an external device connected thereto or checks in the content from an external device connected thereto, the apparatus comprising:

a title display means for displaying a title corresponding to the content; and

a number of checkouts display means for displaying a number of possible checkouts for the content, *wherein the number of possible checkouts indicates the number of times the content may be checked out before the content is checked back into the apparatus.*

Stebbing is directed to an Internet authorization and flagging system for encoding original recordings with an authorization system, and preventing unauthorized activity of proprietary data.¹ Stebbing describes encoding content with an authorization flag indicating

¹ See Stebbing at col. 3, lines 34-38.

a user's level of authorization for desired content.² After the content is encoded with the authorization flag, recording manufacturers provide the encoded music to an Internet service that makes the content available on the provider's main website.³

Stebbing describes that a user may purchase a level of authorization from the ISP's website or from an authorized broker.⁴ The different levels of authorization in Stebbing include listening to the content and/or making multiple copies of the content. For example, an authorized user may be allowed to make a copy once, two times, or three times to an external recording medium such as a CD or a DVD, or on to a hard drive of a computer.⁵

Software via the ISP controls the user's access to the content based on the user's level of authorization. For example, if a user is authorized to only make one copy of a content, the software prevents the user from making subsequent copies of the content after the user exhausts the one copy. Additionally, Stebbing describes that the ISP software may incorporate a counter to control the number of copies a user is authorized to make.⁶

Claim 1 is distinguishable over Stebbing as the applied reference fails to disclose or suggest *a number of checkouts display means for displaying a number of possible checkouts*. The outstanding Official Action asserts that the display 83 of Figure 12 of Stebbing discloses this feature.⁷ With respect to the display 82, Stebbing describes that "[a] display interface 82 permits information from bus 74 to be displayed on the display 83."⁸ However, Stebbing does not disclose or suggest that information corresponding to *a number of possible checkouts* is transmitted on bus 74.

² See Stebbing at col. 8, lines 8-26.

³ See Stebbing at col. 9, lines 14-24.

⁴ See Stebbing at col. 10, lines 27-29.

⁵ Stebbing at col. 10, lines 31-45.

⁶ See Stebbing at col. 10, lines 41-50.

⁷ See Official Action dated March 20, 2007 at page 3.

⁸ See Stebbing at col. 12, lines 4-5.

For example, as discussed above, users of the Internet Authorization flagging system may purchase different authorization levels such as copying music multiple times. Stebbings describes the following copy control mechanism:

One basic mechanism for allowing copy control involves ***incorporating a counter*** into the ISP-provided software, which does the certification process of verifying each user and verifying that payment was made.

For instance, if a user is authorized to make one copy only and attempts to make another copy of a particular music, ***the software counter inspects that part of the encryption zone*** and verifies that payment was received for one copy and that one copy was made. Once this information is verified, the software prevents a user from making additional unauthorized copies.⁹

Thus, the copy control mechanism (i.e. the software counter) is implemented through software at the ISP's domain side. However, Stebbings neither discloses nor suggests that when a user makes a copy of music, information corresponding to the software counter is downloaded onto the user's terminal and transmitted on information bus 74. Accordingly, since Stebbings neither discloses nor suggests that information corresponding to the software counter is transmitted on information bus 74, the display 83 is ***not a number of checkouts display means for displaying a number of possible checkouts***.

Additionally, Applicants submit that a future assertion of inherency is insufficient to show that display 83 inherently teaches the *a number of checkouts display means for displaying a number of possible checkouts* because the assertion cannot show "that the alleged inherent characteristic necessarily flows from the teachings of the applied prior art"¹⁰ "The fact that a certain result may occur or be present in the prior art is not sufficient to

⁹ See Stebbings at column 10, lines 38-48.

¹⁰See MPEP 2112 (emphasis in original) (citation omitted). See also same section stating that "[t]he fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic," (emphasis in original). See also In re Robertson, 49 USPQ2d 1949, 1951 (Fed. Cir. 1999) ("[t]o establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill,'" citing Continental Can Co. v. Monsanto Co., 948 F2d 1264, 1268, 20 USPQ2d 1746, 1749 (Fed. Cir. 1991); and "[i]nherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient," Id. at 1269 (citation omitted)).

establish inherency of that result or characteristic.”¹¹ “To establish inherency, the extrinsic evidence ‘must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.’”¹²

Since Stebbing merely describes that ISP provided software implements a software counter *at the ISP’s domain website*, it is merely a *possibility* that information corresponding to the software counter can be downloaded to a user’s terminal and transmitted on information bus 74. However, information corresponding to the software counter or any other information corresponding to the number of copies a user may make *is not necessarily present* on the information bus 74.

The outstanding Official Action acknowledges that Stebbing fails to disclose or suggest displaying a number of possible checkouts, where the number of possible checkouts represents a number that is incremented by one when the content is checked back into an apparatus.¹³ To cure this deficiency the outstanding Official Action relies on the SDMI Specification. Applicants have considered the SDMI Specification and submit that the applied reference fails to cure the deficiency discussed above for Stebbing.

Accordingly, Applicants submit that Stebbing and the SDMI Specification fail to disclose or suggest all the limitations of Claim 1. Applicants request that the rejection of Claim 1, and claims depending therefrom under 35 U.S.C. § 103(a) be withdrawn.

As independent Claims 8, 15, and 22 recite features analogous to Claim 1, Applicants submit that Stebbing and the SDMI Specification fail to disclose or suggest all the limitations of Claims 8, 15, and 22. Applicants request that the rejection of Claims 8, 15, and 22, and claims depending therefrom, under 35 U.S.C. § 103(a) be withdrawn.

¹¹ *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1995, 1957 (Fed. Cir. 1993).

¹² *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999).

¹³ See outstanding Official Action of March 20, 2007 at pages 3 and 4, paragraph 3.1.

Rejections over Stefik and Acres

The outstanding Official Action rejected Claims 2-5, 7, 9-13, 16-21, and 23-28 over Stebbings and the SDMI Specification, and further in view of Stefik and Acres. Applicants traverse the rejections.

As outlined above, a *prima facie* case of obviousness has not been set forth for independent claims 1, 8, 15, and 22, which the remaining claims depend therefrom. Applicants have considered Stefik and Acres and submit that these two references do not cure the deficiencies discussed above. Accordingly, Applicants submit that a *prima facie* case of obviousness has not been set forth for Claims 2-5, 7, 9-13, 16-21, and 23-28 and request the rejections of the these claims under 35 U.S.C. § 103(a) be withdrawn.

A *prima facie* case of obviousness has not been set forth because there is no reasonable expectation of success that Stebbings can be combined with the SDMI Specification

Applicants submit that there is no reasonable expectation of success for combining the Check-In process defined in the SDMI Specification with the Internet authorization system of Stebbings. MPEP §706.02(j) notes that to establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations

The SDMI Specification defines “Check-In” as “the process by which the ability to render SDMI Protected Content for Local Use is restored via the LCM to its original location within the local SDMI environment and the number of allowed copies is incremented by one. The checked out copy shall then be **rendered unusable**.”¹⁴ As the SDMI Specification defines content “Check-In” as rendering the checked out content **unusable**, the Internet

¹⁴ See SDMI Specification at page 8, 3.17. (Emphasis added).

Authorization system of Stebbings would be required to erase content downloaded from a ISP's website.

Stebbings describes that in the Internet Authorization system, content can be copied to a CD or downloaded to a computer. Figure 12 of Stebbings illustrates Hard Drive 81 is interfaced to the bus 74 via disk controller 78, while communications port 84 is connected to bus 74. To render downloaded content on the computer unusable, the ISP's software would be required to connect to a user's terminal through communications port 74 and access the content on the hard drive 81 via disk controller 78. However, even though the communications port 74 and hard drive interface to the bus 74, Stebbings neither discloses nor suggests that the hard drive 81 has the logic and circuitry necessary to permit signals from the communications port 74 to access and erase content on the hard drive.

Furthermore, rendering content copied to a CD unusable would require the ISP's software to access the CD and erase the content on the CD. Figure 13 of Stebbings illustrates CD recorder 96 connected to computer 58 through bus 97. However, since Figure 13 merely illustrates a CD recorder (CDR) drive and not a CD-Rewritable (CD-RW) drive, the CD recorder 96 **does not** contain the logic and circuitry necessary to permit content on the CD to be erased.

Accordingly, there is no reasonable expectation of success that the ISP software in Stebbings is capable of carrying out the content "Check-In" process as defined in the SDMI Specification. Thus, Applicants submit it is only through an impermissible hindsight reconstruction of Applicants' invention that any further rejections in view of Stebbings and the SDMI Specification can be understood.¹⁵

A prima facie case of obviousness has not been set forth because the SDMI Specification teaches away from Applicants' Claimed invention

¹⁵ MPEP § 2143.01 "Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge of one of ordinary skill in the art."

Applicants' submit that there is no motivation to combine the SDMI Specification with Stebbings because the SDMI Specification teaches away from Applicant's claimed invention and the combination with Stebbings. MPEP § 2145 states that it is improper to combine references where the references teach away from their combination. "A reference may be said to teach away when a person of ordinary skill in the art, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken by the applicant." *In re Gurley*, 31 U.S.P.Q.2d 1130, 1131 (Fed. Cir. 1994). To this end, "disclosures in the references that diverge from and teach away from the invention cannot be disregarded", Phillips Petroleum Company v. U.S. Steel Corp., 9 U.S.P.Q.2d 1461 (Fed. Cir. 1989).

The SDMI Specification defines interfaces and standards for transferring ***SDMI Protected Content*** from ***SDMI-Compliant applications*** through an License Compliant Module (LCM) to a portable device (PD).¹⁶ The SDMI Specification defines "SDMI-Compliant" as a device, application or any other implementation that ***conforms to the requirements*** of the SDMI Specification.¹⁷ The SDMI Specification specifies that Check-In/Check-Out shall be permitted ***only with respect SDMI Protected Content for Local Use***.¹⁸ The SDMI Specification defines ***SDMI Protected Content*** as content made accessible only in accordance with the requirements as set forth in the SDMI Specification.

As illustrated above, the SDMI Specification specifies that Check-In shall be permitted ***only with respect to SDMI Protected Content*** and ***SDMI compliant applications***. Stebbings neither discloses nor suggests that Internet Authorization system is an ***SDMI compliant application***. Furthermore, Stebbings neither discloses nor suggests that the content embedded with the authorization flag is ***SDMI Protected Content***. Accordingly, one

¹⁶ See SDMI Specification at page 10 and Figure 1.

¹⁷ See SDMI Specification at page 6, 3.5.

¹⁸ See SDMI Specification at page 20, 5.7.2.

of ordinary skill in the art would be discouraged from combining the content "Check-In" process from the SDMI Specification with the *non-SDMI compliant applications* described in Stebbings.

Accordingly, there is no motivation to combine Stebbings with the SDMI Specification and a *prima facie* case of obviousness has not been set forth for Claim 1. Applicants request that the rejection of Claim 1 under 35 U.S.C. § 103(a) be withdrawn.

Consequently, in view of the present response and in light of the foregoing comments, it is respectfully submitted that the present invention is in condition for formal allowance and an early and favorable action to that effect is respectfully requested.

Respectfully submitted,

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